Message Text

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AIDAC

JOINT AID/EMBASSY MESSAGE

E.O. 11652: N/A

SUBJECT: PL 480 TITLE II FY 78 PROGRAM, CRS/YEMEN

REF: (A) SANA 3214 (B) STATE 105718 (C) SANA 2689

- 1. SUBSEQUENT TO REF A, CRS COUNTRY DIRECTOR REOPENED NEGOTIATIONS WITH YARG TO CONCLUDE NEW TITLE II AGREEMENT.
- 2. CRS DIRECTOR CITES FOLLOWING CONDITIONS WHICH LUST BE PRESENT BEFORE CRS WILL APPROVE AGREEMENT, SUBMIT FY 78 PROGRAM PLAN, FY 78 AER, OR FIRST QUARTER CALL-FORWARD REQUEST:
 A. IN-LAND HANDLING COSTS: CRS ATTEMPTING TO SECURE FULL YARG PAYMENT WHICH WOULD MAKE PROPOSED COST SHARING SCHEDULE AS APPROVED REF. B UNNECESSARY. AS INDUCEMENT FOR YARG TO ACCEPT IN-LAND COSTS, CRS PROPOSES PROVIDING DIRECT LOGISTICAL SUPPORT IN FORM OF TWO TO THREE WAREHOUSES AND TRUCKS TO BE FUNDED BY ONE OPG WHICH WOULD BE WITHIN MISSION'S APPROVAL AUTHORITY. THRUST OF OPG WOULD BE TO ENHANCE LIMITED OFFICIAL USE

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YARG ADMINISTRATION OF LOGISTICS IN SUPPORT
OF NUTRITIONPROGRAMS; APPROVAL CONTINGENT UPON
FAVORABLE REVIEW OF COST BENEFITS, CONSTRUCTION DETAILS,
PTOENTIAL OF YARG TO SUSTAIN OPERATION, AND FULL
INSTITUTIONAL BUILDING JSUTIFICATION. MISSION SEES
ADVANTAGES THIS APPROACH: (1) IMMEDIATE AND VISIBLE
SUPPORT TO PROGRAM AREA MOST IN NEED; (2) WAREHOUSE

AND TRUCKS PRESENT POSSIBLE SAVING FOR YARG WHEN CONTRACTED HANDLING COSTS, NOW ESTIMATED AT U.S. DOL 66 PER TON, ARE CONSIDERED; (3) COST SHARING PRESENTS POTENTIAL ADMINISTRATIVE/AUDIT PITFALLS VS. REALTIVELY CLEAN-CUT LIGISTICAL SUPPORT PROPOSAL. B. COUNTERPART: CRS HAS RECOMMENDED TO YARG TO DISCONTINUE REQUIREMENT FOR CRS TO WORK THROUGH PRESENT INEPT COUNTERPART ORGANIZATION. C. HOST COUNTRY FUNDING: CRS PRESSING FOR PARTIAL COUNTERPART CONTRIBUTION TO CRS OPERATING/ADMINISTRATIVE COSTS.

- D. CLAIMS: CRS SEEKING ASSURANCES OF RESPONSIVE HOST GOVERNMENT ACTIONS IN PURSUIT OF COMMODITY DEIVERSIONS. E. CRS RETAINS AUTONOMY IN ITS PERSONNEL AND OPERATIONAL PRACTICES.
- 3. CRS COUNTRY DIRECTOR'S DEMANDS ARE STRINGENT BUT REASONABLE AND STILL SUBJECT TO COMPROMISE. MISSION SUPPORTS HIS QUOTE GOOD-PROGRAM-ORA-NO-PROGRAM END QUOTE TACTIC. MISSION WILL CONTINUE TO SUPPORT HIS INITIATIVE TO DEGREE THAT YARG RECALCITRANCE ON ANY MAJOR ISSUE WILL SUGNAL FURTHER PROGRAM RESTRICTIONS, RIGHT UP TO TERMINATION.
- 4. MISSION IS IMPRESSED WITH CRS DIRECTOR'S PERCEPTION/ ANALYSIS OF PROGLEMS AND HIS INITIATIVES TO CHART LIMITED OFFICIAL USE

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COURSE OF ACTION. REASONABLE RESOLTION OF ISSUES PARA 2, ABOVE, PROVIDES ONLY BASIS UPON WHICH MISSION WILL ENDORSE CONTINUATION OF TITLE II.

MISSION HAS TENTATIVELY INDICATED FURTHER SUPPORT BY RECOMMENDING PROGRAM DESIGN ASSISTANCE UPON POSITIVE ASSURANCE THAT ADEQUATE COUNTRY AGRREEMENT IS IN HAND. ASSISTANCE WOULD INCLUDE JOINT PARTICIPATION OF CRS AND AID TECHNICIAN TO: (1) FORMULATE FOOD PROGRAMS APPROPRIATE FOR YEMEN; (2) PROVIDE EXPERTISE TO DETERMNINE MIX OF FOODS IN PROGRAM; (3) INTEGRATE NHUTRITION EDUCATION WITH FOOD DISTRIBUTION; (4) INSOFAR AS POSSIBLE ADAPT CRS PROJECTS TO AID STRATEGY.

5. IN VIEW CRS PROGRAM REFORMS, SUBMISSION OF AER, PROGRAM PLAN AND FIRST QUARTER CALL-FORWARD, PER REF.:, FURTHER DELAYED. IN INTERIM, WOULD APPRECIATE AID/W VIEWS ON LOGISTIC SUPPORT VIA OPG. SCOTES

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	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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